

Neiman Marcus Group

Karen Katz
President and Chief Executive Officer

We deeply regret and are very sorry that some of our customers' payment cards were used fraudulently after making purchases at our stores. We have taken steps to notify those affected customers for whom we have contact information. We aim to protect your personal and financial information. We want you always to feel confident shopping at Neiman Marcus and your trust in us is our absolute priority. As best we know today, social security numbers and birth dates were not compromised. Customers that shopped online do not appear at this time to have been impacted by the criminal cyber-security intrusion. Your PIN was never at risk because we do not use PIN pads in our stores.

We have taken and are continuing to take a number of steps to contain the situation, and to help prevent an unlawful intrusion like this from happening again. Actions we have taken include working with federal law enforcement, disabling the malware we have found, enhancing our security tools, and assessing and reinforcing our related payment card systems in light of this new threat.

In mid-December, we were informed of potentially unauthorized payment card activity that occurred following customer purchases at our stores. We quickly began our investigation and hired a forensic investigator. Our forensic investigator discovered evidence on January 1st that a criminal cyber-security intrusion had occurred. The forensic and criminal investigations continue.

If you are concerned about fraudulent activity, you can take several steps:

- Check your payment card statements and if any suspicious or fraudulent activity appears, please call your card issuer to report it.
- Contact your local store or call our credit division 1.800.685.6695, if you see fraudulent activity on your Neiman Marcus Card.

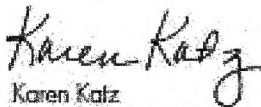
The policies of the payment brands such as Visa®, MasterCard®, American Express®, Discover® and the Neiman Marcus card provide that you have zero liability for any unauthorized charges if you report them in a timely manner.

If you have made a payment card purchase at Neiman Marcus between January, 2013 and January, 2014 we will be offering you one year of free credit monitoring service for an added layer of protection. Sign up instructions for this service will be provided at www.neimanmarcus.com/infosecurity by Friday, January 24, 2014.

Even as the world of retailing changes and threats to our business such as criminal cybersecurity attacks occur, Neiman Marcus Group remains steadfast in our commitment to delivering exceptional customer service.

Thank you for your patience, your trust in us and your business as we deal with this unfortunate and regrettable intrusion.

Sincerely,



Karen Katz
President and CEO
Neiman Marcus Group

U.S. State Notification Requirements

For additional information, you may contact Neiman Marcus' hotline, hosted by Experian®, at (866) 579-2216, or visit our informational website, www.neimanmarcus.com/infosecurity.

For residents of California, Hawaii, Illinois, Iowa, Maryland, Michigan, Missouri, North Carolina, Oregon, Vermont, Virginia, West Virginia, and Wyoming:

It is recommended by state law that you remain vigilant for incidents of fraud and identity theft by reviewing credit card account statements and monitoring your credit report for unauthorized activity. You may obtain a copy of your credit report, free of charge, whether or not you suspect any unauthorized activity on your account by contacting any one or more of the national consumer reporting agencies listed below. They can also provide you with information about fraud alerts and security freezes.

Equifax
P.O. Box 740241
Atlanta, GA 30348
1-800-685-1111
www.equifax.com

Experian
P.O. Box 2104
Allen, TX 75013
1-888-397-3742
www.experian.com

TransUnion
P.O. Box 6790
Fullerton, CA 92834-6790
1-877-322-8228
www.transunion.com

For residents of Iowa:

State law advises you to report any suspected identity theft to law enforcement or to the Attorney General.

For residents of Oregon:

State laws advise you to report any suspected identity theft to law enforcement, as well as the Federal Trade Commission.

For residents of Illinois, Maryland and North Carolina:

State laws require us to tell you that you can obtain information from the Federal Trade Commission about steps you can take to avoid identity theft (including how to place a fraud alert or security freeze). If you are a Maryland or North Carolina resident, you may also be able to obtain this information from your state's Attorney General.

MD Attorney General's Office
Consumer Protection Division
200 St. Paul Place
Baltimore, MD 21202
1-888-743-0023
www.oag.state.md.us

NC Attorney General's Office
Consumer Protection Division
9001 Mail Service Center
Raleigh, NC 27699-9001
1-877-566-7226
<http://www.ncdoj.gov/>

Federal Trade Commission
Consumer Response Center
600 Pennsylvania Avenue, NW
Washington, DC 20580
1-877-IDTHEFT (438-4338)
www.ftc.gov/bcp/edu/microsites/idtheft/

For residents of Massachusetts and West Virginia:

State laws require us to inform you of your right to obtain a police report if you are a victim of identity theft. You also have the right to place a security freeze on your credit report. A security freeze is intended to prevent credit, loans and services from being approved in your name without your consent; however, using a security freeze may delay your ability to obtain credit.

To place a security freeze on your credit report, you need to send a request to a consumer reporting agency by certified mail, overnight mail, or regular stamped mail. The following information must be included when requesting a security freeze (note that if you are requesting a credit report for your spouse, this information must be provided for him/her as well): (1) full name, with middle initial and any suffixes; (2) Social Security number; (3) date of birth; (4) current address and any previous addresses for the past five years; and (5) any applicable incident report or complaint with a law enforcement agency or the Registry of Motor Vehicles. The request must also include a copy of a government-issued identification card and a copy of a recent utility bill or bank or insurance statement. It is essential that each copy be legible, display your name and current mailing address, and the date of issue. The consumer reporting agency may charge a fee of up to \$5.00 to place a freeze or lift or remove a freeze, unless you are a victim of identity theft or the spouse of a victim of identity theft, and you have submitted a valid police report relating to the identity theft incident to the consumer reporting agency.

Equifax Security Freeze
P.O. Box 105788
Atlanta, GA 30348
www.equifax.com

Experian Security Freeze
P.O. Box 9554
Allen, TX 75013
www.experian.com

TransUnion (FVAD)
P.O. Box 6790
Fullerton, CA 92834-6790
www.transunion.com